

**LOUISIANA PUBLIC SERVICE COMMISSION**  
**MINUTES FROM DECEMBER 12, 2012**  
**OPEN SESSION**

***MINUTES OF DECEMBER 12, 2012 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN FOSTER CAMPBELL, VICE CHAIR JIMMY FIELD AND COMMISSIONERS LAMBERT BOISSIERE, ERIC SKRMETTA AND CLYDE HOLLOWAY. ALSO PRESENT WAS EVE KAHAO GONZALEZ.***

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Open Session of December 12, 2012, convening at 9:18 A.M. and adjourning at 3:17 P.M., Natchez Room, 602 N. 5<sup>th</sup> Street, 1<sup>st</sup> Floor, Baton Rouge, Louisiana, with the above-named members of the Commission and Secretary Eve Kahao Gonzalez.

**Ex. 1**

Announcements - Special Presentation to Commissioner Field

Commissioner Campbell, on behalf of the entire Public Service Commission, presented Commissioner Field with a plaque recognizing him for his 16 years of service.

Commissioner Field thanked everyone for the plaque and individually thanked his Staff for their hard work and dedication over the years, as well as his wife. Commissioner Field further gifted his fellow commissioners with a daily devotional book called A Year with CS Lewis.

Commissioner Skrmetta announced that the PSC now has a twitter account and a Facebook page, links to which are on the lpsc.org website.

Commissioner Skrmetta directed Staff to develop rules and regulations to pierce the corporate veil and hold members and directors of the following small water and wastewater company's and household goods movers corporate entities, hold them personally liable for the amounts owed to the commission when there is evidence that multiple business entities are controlled by the same individual or group of individuals. Staff should also develop rules that would allow the commission to reject the application for authority of any business entity that contains members or directors that have purposely avoided LPSC imposed fees or fines.

Executive Counsel Brandon Frey announced that the Public Utilities Section of the Louisiana State Bar Association is holding its annual CLE on December 13, 2012 at 8am at the Baton Rouge City Club.

Executive Counsel Frey also announced that there will be a reception in honor of Commissioner Field immediately following the B&E for Commission Staff only in the 11<sup>th</sup> Floor Hearing Room.

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**Ex. 2**

**R-31891** - Louisiana Public Service Commission, ex parte. In re: Review and Update of the Regulations and Guidelines of the Louisiana Public Service Commission Applicable to Customer Owned Coin Operated Telephone Service Providers and Alternate Operator Service Providers.

**Last month's Ex. 2**

Following discussion, Commission Boissiere made a motion to adopt the Staff recommendation, with the following modifications. The 25% reduction in calls will apply only to calls to the following persons/groups: 1. Immediate families of inmates; 2. Legal aid services and groups; 3. Clergy, churches, pastors, ministers and the like; 4. Government agencies, including schools; and 5. Attorneys/ public defenders. Commissioner Field seconded the motion and it was unanimously approved.

Following the vote, Commissioner Skrmetta directed Staff to open a docket beginning January of 2013 to create a specific docket for regulating prison telephone communication systems, and to transfer all current prison telephone communication companies from the Cointel Docket into a specific docket created especially for dealing with the prison telephone systems, and to set a technical conference to take place at the end of January, preferably in New Orleans.

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**Ex. 3**

Discussion with Richard Hoffpaur of USDA regarding non-profit water systems financed by USDA, repayment of loan debt and the impact of systems mergers on outstanding USDA loans.

	<p><b>Last month's Ex. 3.</b></p> <p><b>THIS ITEM WILL BE PULLED.</b></p> <p><b>PULLED</b></p>
<b>Ex. 4</b>	<p>Discussion and possible vote on proposed 2013 B&amp;E meeting dates.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to affirm the following 2013 B&amp;E dates subject to change in the future: January 30, 2013, February 20, 2013, March 20, 2013, April 17, 2013, May 15, 2013, June 19, 2013, July 24, 2013, September 18, 2013, October 16, 2013, November 13, 2013, and December 18, 2013.</p>
<b>Ex. 5</b>	<p><b>U-28814 Consolidated</b> - Atmos Energy Corporation, ex parte. In re: 2012 Rate Stabilization Clause filings for Louisiana Gas Service and Trans Louisiana Gas rate divisions.</p> <p><b>In re: Discussion and possible vote to retain outside consultant.</b></p> <p>Commissioner Skrmetta made a motion to retain Henderson Ridge Consulting; however, he subsequently withdrew that motion and made another to accept Exeter Associates, Inc.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to retain the consulting firm of Exeter Associates, Inc. to assist Staff in this matter for a budget of \$34,000 in fees with expenses not to exceed \$2,000, for a total budget of \$36,000.</p>
<b>Ex. 6</b>	<p><b>U-31974</b> - Abby Plantation Estates Sanitary Sewerage Corporation, ex parte. In re: Request for increase in sewerage rates.</p> <p><b>In re: Discussion and possible vote on Uncontested Stipulated Settlement.</b></p> <p>On motion of Commissioner Field, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the Uncontested Stipulated Agreement and Term Sheet filed into the record November 19, 2012.</p>
<b>Ex. 7</b>	<p><b>S-32144</b> - Springhill Community Water System, Inc., ex parte. In re: Request for an increase in water rates (non-profit system).</p> <p><b>In re: Discussion and possible vote on Staff Recommendation.</b></p> <p><b>Last month's Ex. 11</b></p> <p><b>PASSED</b></p>
<b>Ex. 8</b>	<p><b>R-31417</b> - LPSC, ex parte. In re: Re-examination of the Commission's Net Energy Metering Rules found in General Order No. R-27558, dated November 30, 2005 (the "Net Metering Order").</p> <p><b>In re: Discussion and possible vote on Staff's Report and Recommendation.</b></p> <p>Commissioner Holloway requested this item be passed until the next B&amp;E. Commissioner Field stated he felt a thorough cost-benefit analysis should be done as well as looking into cost of distribution, maintenance and such for the solar customers to see if that can be quantified; and if another consultant is necessary or more budget required for current consultant, Staff should look into it. Commissioner Campbell agreed that Staff should provide the Commission with more information regarding the benefits of solar energy. There was no objection to passing the item to the January B&amp;E.</p>

<b>Ex. 9</b>	<p>LPSC, ex parte</p> <p><b>In re: Discussion and possible vote to hire Henderson Ridge Consulting to assist Staff in the upcoming audit of LUS Fiber.</b></p> <p>On motion of Commissioner Field, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the budget proposal of Henderson Ridge Consulting to assist Staff in the upcoming audit of LUS Fiber for a budget of \$26,250 in professional fees and \$3,400 in expenses for a total budget of \$29,650.</p>
<b>Ex. 10</b>	<p>1) Reports 2) Resolutions 3) Discussions</p>
<b>Ex. 11</b>	<p><b>T-32531</b> - BonTemp Trucking, Inc. (Maurice, Louisiana) and JKJ Transportation, LLC (Pitkin, Louisiana), ex parte. In re: Joint petition for the sale and transfer of all rights, title, and interest in Common Carrier Certificate No. 6801 from the former to the latter.</p> <p><b>In re: Discussion and possible vote pursuant to Rule 57.</b></p> <p><b>At the request of Commissioner Holloway.</b></p> <p>On motion of Commissioner Holloway, seconded by Commissioner Field, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and bring this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Holloway, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the sale of assets and Common Carrier Certificate No. 6801 to JKJ Transportation, LLC from BonTemp Trucking, Inc.</p>
<b>Ex. 12</b>	<p><b>S-32595</b> - Baton Rouge Water Company, ex parte. In re: Request for Commission Approval of Bond Issuance.</p> <p><b>At the request of Commissioner Field.</b></p> <p>On motion of Commissioner Field, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to accept the Staff Recommendation as read into the record.</p>
<b>Ex. 13</b>	<p><b>R-31106</b> - LPSC, ex parte. In re: Rulemaking to study the possible development of financial incentives for the promotion of energy efficiency by jurisdictional electric and gas utilities.</p> <p><b>At the request of Commissioner Boissiere.</b></p> <p>Commissioner Holloway made a motion to pass this item until next month; Commissioner Skrmetta seconded this motion. However, Commissioners Campbell, Field and Boissiere objected. Therefore, this motion failed three to two.</p> <p>Commissioner Field offered the following motion, which was seconded by Commissioner Boissiere: I move to adopt the energy efficiency rules issued for comment October 15, 2012 in Docket R-31106 with the following modifications:</p> <p>1) Section V of the proposed rules should be amended as follows:</p> <p>a) Utilities may implement market transformation programs that are necessary even if they do not pass the required total resource cost test proposed for all other programs. However, such market transformation programs should be limited to 25percent of the total annual budget for all energy efficiency programs.</p> <p>b) Utilities may move funding between categories and programs as necessary for program success, except with regard to the previously mentioned 25 percent cap on market transformation programs.</p> <p>c) Utilities may engage one or more third-party administrators as appropriate to handle administration of the quick start energy efficiency programs.</p> <p>While the issue of lost revenue recovery found in section VI of the Staff's proposed rules is a difficult issue, and one of the most contentious in this rulemaking, I move that we allow utilities to recover lost revenues from participating customers that are a direct result of energy</p>

efficiency measures. The amount of recovery will require validation of the energy savings, and the formula to measure such savings and lost contribution to fixed costs will be developed during the 14 month period, when the quick start programs are being developed for implementation. The ultimate cost recovery will be approved in a base rate or formula rate proceeding. Impacts to ratepayers of this lost revenue recovery are mitigated by the limited nature of this phase 1 quick start process, and the potential for bill savings through the development of energy efficiency initiatives. This should not be construed to mean that the Commission will adopt a lost revenue recovery mechanism in the comprehensive phase, or that the Commission will take any specific approach to cost recovery therein.

2) With regard to the industrial opt-out provisions found at section VIII of the Staff's proposed rules, the following language should be added:

a) Only industrial customers with annual peak loads equal to or greater than 200 kilowatts, located within the utility's service territory, are allowed to aggregate;

b) Industrial customers with a combined aggregated demand of five megawatts or more may, but are not required, to participate in quick start energy efficiency programs.

c) Any industrial customer that intends to opt out must provide notice to the utility within ninety days of the issuance of the Commission Order in this proceeding.

3) And finally, with regard to the timeline provisions in section IX of the Staff's proposed rules, I move that the following modifications be made:

a) In order to provide utilities with sufficient time to collect the data that is necessary for rider adjustments and annual reporting requirements, I move that the rider adjustment deadlines be extended by four months, and that the annual reporting deadline by one month so that they are both filed on the 30<sup>th</sup> and 42<sup>nd</sup> months.

b) The Staff report contemplated at section IX, number eight shall include a proposed recommendation that will be issued to parties for comment. If Staff deems it necessary, it may schedule a technical conference at this time. Staff shall then issue its final recommendation at month 47. Phase one programs should be timed to continue until the beginning of phase two programs so that there is no gap with regard to energy efficiency measures if phase two programs are approved by the Commission.

However, Commissioners Holloway and Skrmetta objected and Commissioner Holloway offered a substitute motion to allow residential customers to opt out of the program. Commissioner Skrmetta seconded this motion; however Commissioners Campbell, Field and Boissiere objected. Therefore, the motion died for lack of a majority.

Commissioner Field's motion was called back up for a vote. Therefore, on motion of Commissioner Field, seconded by Commissioner Boissiere, with Commissioners Campbell and Skrmetta concurring and Commissioner Holloway objecting, the Commission voted to adopt the above motion.

**Ex. 14**

**U-32557 - Entergy Gulf States Louisiana, L.L.C ex parte.** In re: Application for Approval of a 20 Year Contract with Rain CII Carbon LLC for the Purchase of Capacity and Energy from the Sulphur, LA Heat Recovery Project and Request for Timely Treatment.

**In re: Discussion and possible vote on Stipulated Settlement Agreement.**

**At the request of Commissioner Holloway.**

On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and adopt the Uncontested Proposed Stipulated Settlement Agreement filed December 4, 2012 and entered into the record at the December 10, 2012 hearing of this matter.

**Ex. 15**

**U-32145 - Coast Waterworks, Inc., ex parte.** In re: Application for a rate increase for water and sewer rates for The Meadows and Eden Isles and consideration of rate design and storm damage allocation previously docket as U-31772 and U-31774.

**In re: Discussion and Possible Vote to confirm Order No. U-32145 issued on September 25, 2012.**

**At the request of Commissioner Skrmetta.**

	<p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and confirm Order No. U-32145 issued September 25, 2012 and that this confirmation be made effective immediately.</p>
<b>Ex. 16</b>	<p><b>U-32459</b> - Southwest Louisiana Electric Membership Corp. (SLEMCO), ex parte. In re: Request for increase in base rates through a conversion of the March 31, 2010 Hurricanes Gustav and Ike Storm Recovery Rider to base rates.</p> <p><b>At the request of Commissioner Field.</b></p> <p>On motion of Commissioner Field, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Field, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to grant SLEMCO's Application to convert the current Storm Rider which is scheduled to expire May 13, 2013, into its base rates on said date as requested in its Application. Any rate change approved by this Commission for SLEMCO shall be contingent upon SLEMCO becoming and staying current in its payment of LPSC Inspection and Supervision Fees. No rate change is permitted to take place unless Commission Staff can confirm and verify that SLEMCO is current on Inspection and Supervision Fee payments. The Company is ordered to file in the record of this proceeding and copy the Commission's Utilities Division a new or revised tariff reflecting this authorized change in rates within 30 days of the issuance of this Order. SLEMCO may only implement the Commission-authorized rate changes after review and approval by the Commission Staff of the new or revised tariff, as well as any other conditions or contingencies required by any Commission Order issued in this proceeding as well as Order No. U-31075 authorizing the current Storm Rider.</p>
<b>Ex. 17</b>	<p><b>R-31825</b> - Louisiana Public Service Commission, ex parte. In re: Possible Amendment to Section 501 A (c) and (e) of the Regulations for Competition in the Local Telecommunications Market (White Page Directory Distribution Requirement).</p> <p><b>In re: Update from Staff on cost savings associated with removal of requirement to publish white pages.</b></p> <p><b>At the request of Commissioner Campbell.</b></p> <p>Staff gave an update on responses from telephone companies regarding costs associated with publishing white page listings.</p>
<b>Ex. 18</b>	<p><b>U-31196</b> - Entergy Louisiana, LLC and Entergy Gulf States Louisiana, L.L.C., ex parte. In re: Application of Entergy Louisiana, LLC for Approval to Purchase Power Block Two of the Acadia Energy Center, and Joint Application of Entergy Louisiana, LLC and Entergy Gulf States Louisiana, L.L.C. for Approval to Participate in Certain Related Contracts for the Purchase of Capacity and Electric Power and for Cost Recovery.</p> <p><b>In re: Discussion and possible vote on Uncontested Stipulated Settlement pursuant to Rule 57.</b></p> <p><b>At the request of Commissioner Boissiere.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Field, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and bring this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the Uncontested Stipulated Settlement as filed into the record on December 6, 2012.</p>

## MEETING ADJOURNED

The next Business and Executive Session will be held January 30, 2013 at 9:00 a.m. in Baton Rouge, Louisiana.